



Mountain View Housing Element Update: Needs Assessment and Constraints

April 22, 2009

HOUSING NEEDS

Demographic Trends

■ Growing community

- 73,932 Mountain View residents (2008)
- 5% population increase from 2000 to 2008
- 9% in County; 8% in Bay Area

■ Fewer families and children

- 51% of households are families; 70% in County; 65% in Bay Area (2008)
- 20% of residents under 18 years; 25% in County; 23% in Bay Area

■ Fewer homeowners

- 51% owners (2008)
- 59% in County; 58% in Bay Area

■ Higher per capita incomes

- \$46,644 (2008)
- \$37,470 in County; \$36,332 in Bay Area

Employment Trends

■ Strong employment growth

- 19% increase in jobs in Mountain View between 2003 and 2008
- 6% increase in County

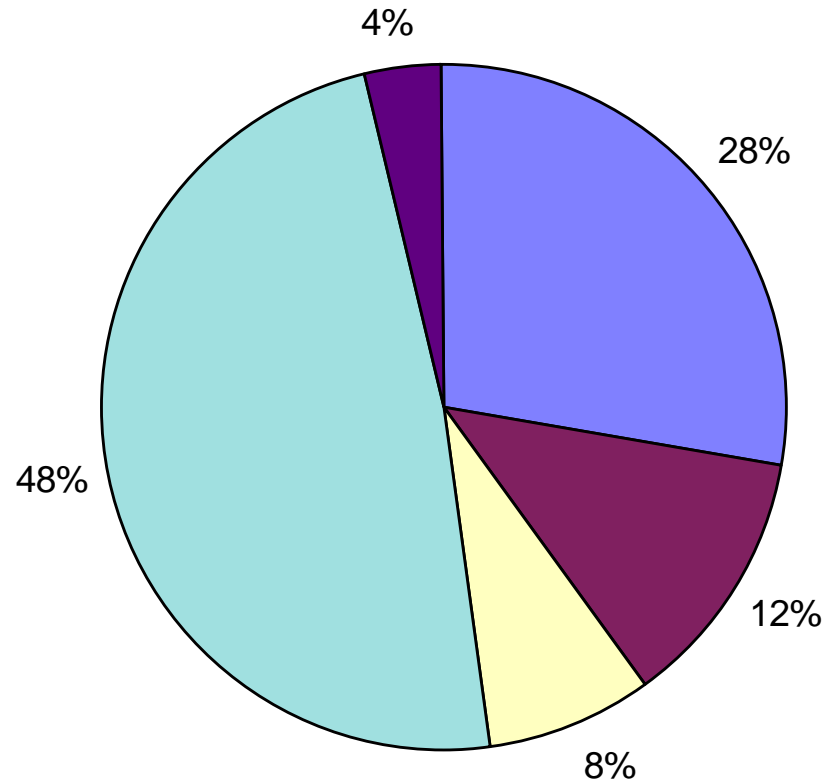
■ Jobs concentrated in the following sectors:

- Information – 20% of total jobs (Q1 2008)
- Professional, Scientific, and Technical Services – 20%
- Manufacturing – 10%
- Health care – 10%

■ “Jobs-rich” city

- 56,200 jobs (2008)
- Number of jobs growing faster than employed residents
- 1.4 jobs per employed residents in Mountain View; 1.1 in County; 1.0 in Bay Area (2008)

Mountain View Housing Stock, 2008

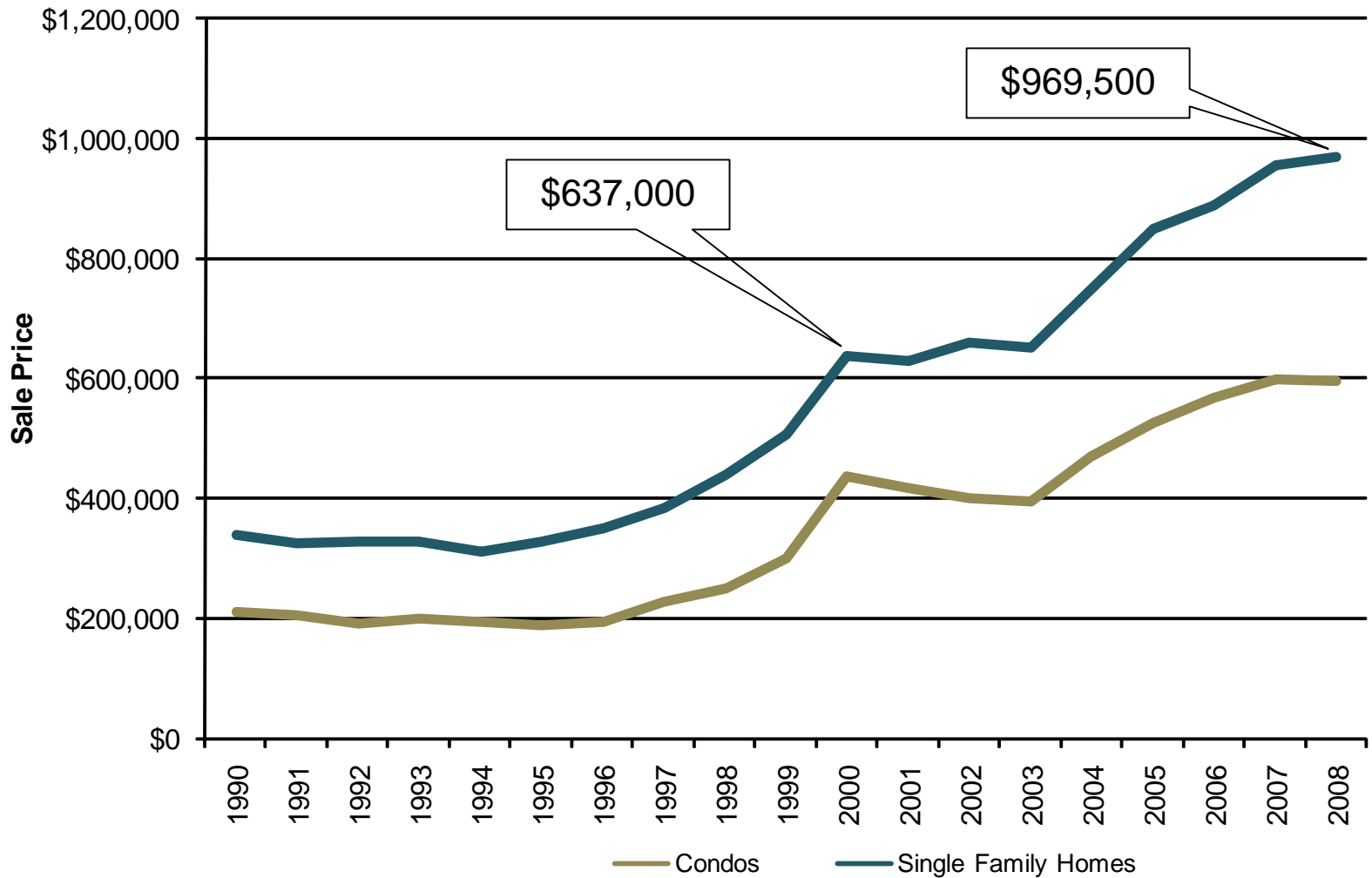


Single Family Detached Single Family Attached Multifamily 2 to 4 Units Multifamily 5+Units Mobile Home

Housing Stock Characteristics

- Mountain View has older housing stock
 - 53% of homes are 40 years old or older
- There are a number of soft-story buildings in the City, which can be seismically vulnerable
 - 19% of multifamily buildings in Mountain View are soft-story buildings
- However, homes are generally in good condition
 - Virtually all units have complete kitchen and plumbing facilities
 - Strong housing market encourages investment in properties

Market Overview: Median Home Prices



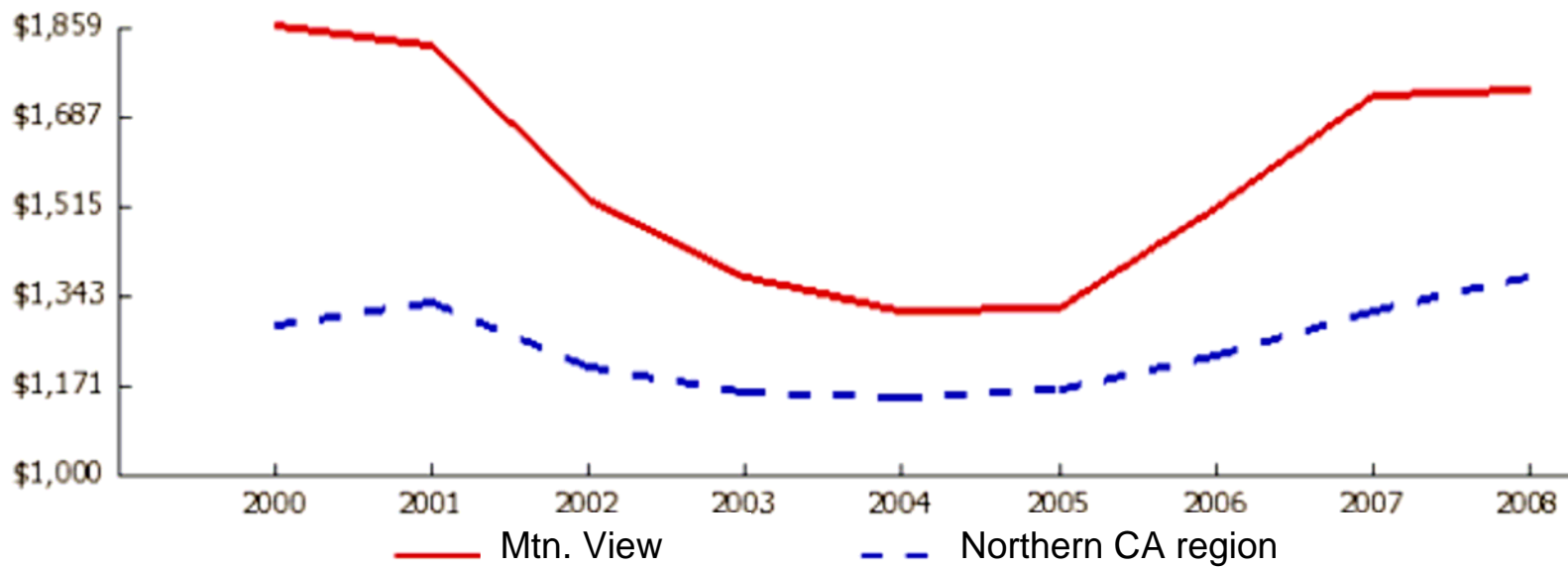
Sources: Dataquick Information Systems, 2009; BAE, 2009.

Market Overview: Affordability

<u>Income Level</u>	<u>Max. Affordable Sale Price</u>	<u>Percent of SFRs on Market within Price Range</u>	<u>Percent of Condos on Market within Price Range</u>
Very Low-Income (Up to 50% AMI)	\$219,700	4%	1%
Low-Income (Up to 80% AMI)	\$351,700	5%	13%
Moderate-Income (Up to 120% AMI)	\$524,400	6%	36%
		<u>Single-Family Residence</u>	<u>Condominiums</u>
Median Sale Price		\$981,000	\$595,000

- All but above moderate-income households will encounter difficulty in purchasing a home in Mountain View
- Based on 4-person HH income in Santa Clara County and home sales in Mountain View between July 2008 to January 2009

Market Overview: Average Rents



- Rents rising as a result of a slower for-sale market
- The average rent for 2008 was \$1,737, up 33% from 2004
- Occupancies rose from 94.4% to 96.0% between 2004 and 2008

Market Overview: Affordability

Income Level	Max. Affordable Monthly Rent	Average Market Rent
Very Low-Income (Up to 50% AMI)	\$1,146	\$2,388
Low-Income (Up to 80% AMI)	\$1,943	\$2,388
Moderate-Income (Up to 120% AMI)	\$2,985	\$2,388

- Low- and very low-income households will encounter difficulty in locating affordable rental housing
- Based on 4-person HH income in Santa Clara County and Q4 2008 rents in Mountain View

Special Needs Populations

- **Seniors have greater homeownership rate, but more likely to be lower-income**
 - 69% of elderly households are homeowners, compared to 37% of non-senior households (2000)
 - 57% of elderly households are lower-income
 - 73% of elderly renter households overpay for housing
 - Ongoing need for affordable assisted living facilities

- **2007 Santa Clara County Homeless Survey counted 122 homeless individuals in Mountain View**
 - Approximately half were unsheltered
 - Mountain View does not currently have an emergency homeless shelter
 - California SB2 now requires cities to identify a zoning district that permits emergency homeless shelters by right

POTENTIAL CONSTRAINTS TO PRODUCTION

Potential Constraints

- **Overall, Zoning Ordinance does not act as a constraint to new housing production**
 - However, certain policies may constrain production of companion units
 - Citywide cap on efficiency studios also poses a constraint
 - HCD recommends including a procedure in Zoning Ordinance for processing reasonable accommodations requests for people with physical disabilities
- **BMR Ordinance offers sufficient flexibility to developers**
- **Fees appear reasonable and in line with other jurisdictions**
- **City is examining ways to streamline entitlement process**

Potential Constraints

- **The housing market decline and economic downturn represent a major constraint to housing production**
 - Developers report difficulty in accessing credit for new construction
 - Many buyers also face challenges in securing mortgages, which limits demand

- **Land costs in Mountain View are generally high due to strong demand and limited supply**
 - Land values generally lag behind home values, and have not declined in tandem with residential market
 - Many owners will choose to wait for recovery, rather than lower their asking prices

Key Questions

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- **Does the EPC have questions about the findings regarding housing needs, trends, and constraints?**
- **Are there any other items related to housing needs and constraints that should be considered as we move forward?**